General Terms and Conditions

## INDEX TO GENERAL TERMS AND CONDITIONS ISSUES (REPLY)

## GENERAL TERMS AND CONDITIONS (REPLY)

For the sake of brevity, Verizon VA has limited its comments herein to responding to points raised by the Petitioners in their opening briefs. As a result, Verizon VA does not discuss every open issue in this reply brief. Omission of an issue from this brief, or the relatively brief discussion of an issue, however, should not be construed as indicative of the importance of the issue to Verizon VA.[1]

[1] Issues IV-91 and IV-110, not addressed below, have been settled by the Parties.

## <u>Issue IV-45</u> Fraud Prevention

Contrary to WorldCom's claims, the contract language proposed by Verizon VA would provide WorldCom with non-discriminatory access to all the same fraud detection information that is available to Verizon VA itself. Nothing more is (or can be) required under the Act, and WorldCom's contrary claims must be rejected.

WorldCom contends that "Verizon has failed to even provide WorldCom with access to its online fraud detection system."[2] WorldCom's assertion is false. Verizon VA has agreed to make available to WorldCom all the "fraud prevention features, including prevention, detection, or control functionality" embedded in the Verizon network.[3] In fact, the quoted language is included in provisions that WorldCom already has agreed to that memorialize the Parties' commitment to work together to minimize various types of fraud.[4]

As explained in Verizon VA's opening brief, the true dispute here is not about cooperating to investigate fraud, it is about WorldCom's proposal that Verizon VA indemnify WorldCom for any clip-on fraud that occurs on the Verizon network facilities that WorldCom uses.[5] In other words, WorldCom wants free insurance against this particular criminal act. The insurance would be free because the significant costs that Verizon VA would incur in order to be able to provide such protection to WorldCom (*e.g.*, hiring an army of security specialists to monitor its network) are not included in the rates that Verizon VA charges WorldCom.

---

[2] WorldCom Brief at 185.

[3] Verizon VA proposed WorldCom contract § 17.2; Tr. 1932.

[4] Verizon VA proposed WorldCom contract §§ 17.1 and 17.2.

[5] WorldCom proposed contract § 3.3. "Clip-on fraud" refers to an unauthorized physical attachment to the local network that allows a person to use services at the expense of another party. Tr. 1925.

Moreover, WorldCom's proposal ignores the fact that it simply is not possible to prevent every possible instance of this particular type of fraud. This crime, which by Verizon's records has occurred only twice in Virginia since 1999, is typically perpetrated in basement closets and other out-of-the-way places.[6] In addition, it generally occurs for a limited period of time (*i.e.*, only as long as the criminal needs to make a number of fraudulent calls, then disconnect the "clip-on" device prior to the fraudulent calls being noted on the customer's bill), thereby making its detection extremely difficult. In any case, unless Verizon VA were to hire hundreds of employees to patrol its thousands of miles of network, it would be only by sheer luck that it would catch someone in the act of clip-on fraud.

WorldCom's proposal goes well beyond the Act's intended goal of allowing CLECs to enter the marketplace on equal terms. Like every other local exchange carrier, WorldCom must accept the day-to-day risks of doing business, including clip-on fraud perpetrated by or against its customers. Therefore, the Commission should reject WorldCom's proposed language and adopt the language offered by Verizon VA.

---

[6] Tr. 1931.

**Issue IV- 84 Scope of Agreement and Alteration of Network**

This issue involves a proposal by WorldCom that would require Verizon VA to provide resold advanced services over UNE-P lines. Verizon VA addresses that argument under Issue V-9 in the Advanced Services section of the Verizon VA opening and reply briefs.

## <u>Issue IV-95</u> Responsibility for Costs and Expenses

As explained in the opening brief, Verizon VA is concerned that WorldCom (or another carrier opting into WorldCom's agreement) would argue that the subject language proposed by WorldCom would estop Verizon VA from receiving compensation to make it whole for providing services to WorldCom, even if the Commission were to determine that compensation was due. For example, if CLECs desired a particular costly modification to Verizon VA's OSS systems, under WorldCom's proposed language on this issue (*i.e.*, WorldCom's proposed contract Part A, § 8.2), WorldCom might argue that Verizon VA bears total responsibility for this cost – even if the Commission issued an order setting forth how the costs for the modification should be allocated. Thus, the Commission should exclude WorldCom's proposed Part A, § 8.2 from the agreement.[7] If the Commission chooses to include Part A, § 8.2 in the agreement, however, it should add the phrase "or otherwise provided for under Applicable Law" after the introductory clause "Except as otherwise specified in this Agreement." The purpose is not, as WorldCom claims, "to foist charges on [WorldCom with which] WorldCom does not agree."[8] Rather, this language provides a method of addressing unforeseen future costs that are not addressed in the Parties' Pricing Schedule.[9] Without Verizon VA's proposed addition, WorldCom may try to use its proposed § 8.2 to avoid or delay legitimate charges that arise as a result of changes in applicable law.

---

[7] Verizon VA Opening Brief at GTC-14-15.

[8] WorldCom Brief at 197.

[9] *See* example in Verizon VA Opening Brief at GTC-14-15.

**<u>Issue IV-101</u> Binding Arbitration**

This is another example of an issue that Verizon VA and AT&T have resolved, but WorldCom will not settle. WorldCom insists on having the arbitrator's order become effective immediately, rather than after it is approved. WorldCom argues that its desired process "ensure[s] that the resolution of disputes remains expedited and efficient," but this proposal is neither efficient nor fair.

WorldCom would have the arbitrator's decision become effective upon issuance (§ 28.11.3), but the Parties would retain the obligation to submit that decision to the Virginia Commission for review (§ 28.11.7). WorldCom's approach must be rejected for both legal and practical reasons.

First, from a legal perspective, § 252(e) of the Act provides that the Virginia Commission must have an opportunity to review and approve the Parties' agreement to ensure it complies with the Act. As agreed by the Parties, the Virginia Commission must also review and approve an arbitrator's interpretation of the interconnection agreement before it becomes effective. WorldCom's proposal circumvents that process by making an arbitrator's award effective upon issuance.

Second, from a practical perspective, any decision with which the Virginia Commission disagrees would be placed into effect upon issuance by the arbitrator but then, shortly thereafter, vacated or modified. Obviously, this sort of process could deprive a party of its rights and even require a party to expend significant resources that it cannot recoup (*e.g.*, requiring a party to expend funds to purchase facilities or equipment that, upon review during the limited 30 day review period, it is determined the party did not have an obligation to expend).

In addition, such a process could lead to scenarios in which the Parties cannot "unscramble the egg" (*i.e.*, cannot effectively undo an action that the reviewing commission determines the arbitrator should not have ordered). The far more efficient practice would be what Verizon VA proposes, and to which AT&T and Verizon VA have agreed: have the arbitration order take effect after it is approved, or deemed approved, by the Virginia Commission in accordance with § 28.11.7 of the AT&T contract.

WorldCom also insists on reserving the right to choose between forums when confronted with a dispute that is subject to the interconnection agreement's arbitration clause and also to the ADR process set forth in the Merger Order. Such forum shopping is inconsistent with the notion that, when parties have agreed to binding arbitration as the exclusive remedy to resolve disputes, they should be held to their agreement.

Finally, WorldCom continues to persist in its view that interconnection agreements are somehow different from other contracts when it comes to whether a party may be deprived of its legal rights to settle disputes.[10] WorldCom is wrong. For the reasons Verizon VA articulated in its opening brief, Verizon VA cannot be compelled to agree to binding arbitration and thus give up its right to legal process. That said, Verizon VA has been willing to agree with WorldCom to the same ADR provisions to which Verizon VA and AT&T agreed. Moreover, except with respect to the two issues described above, Verizon VA has even been willing to agree to all of the numerous changes that WorldCom suggested to the AT&T ADR provisions.

Based on the foregoing, and the arguments made in Verizon VA's opening brief, the Commission should reject WorldCom's proposed language and adopt the language offered by Verizon VA.

---

[10] WorldCom Brief at 200.

## Issue IV-106 Indemnification

The core of this issue is WorldCom's audacious attempt to have Verizon VA guarantee perfect service to WorldCom on behalf of its end users. WorldCom's proposal fails for three reasons.

First, from a legal standpoint, the Act requires that Verizon provide CLECs *with **non-discriminatory*** service, not ***perfect*** service.[11] This Commission has so held on a number of occasions.[12] Further, WorldCom has no right to demand service from Verizon VA that is superior to that which Verizon VA provides to its own end user customers.[13] Rather, WorldCom should receive service in parity with that which Verizon VA provides to its own end user customers. Under Verizon VA's retail tariffs, Verizon's liability to its own end user customers for less-than-perfect service is generally limited to the amount of the charge billed by Verizon VA for the less-than-perfect service. The same should be true for WorldCom as a customer of Verizon VA.

Second, from a practical standpoint, WorldCom - as it has attempted to do with several issues in this proceeding - is plainly looking for competitive advantage and trying to impose additional costs on Verizon VA. Be it demands for perfect service or cost-free insurance against fraud, or refusals to carry adequate insurance or make nominal assurances of payment, WorldCom repeatedly hopes to foist its day-to-day cost and risk of doing business on Verizon

[11] 47 U.S.C. § 251(c)(2).

[12] *See e.g.*, NY Verizon § 271 Order at 93 ("We note that we do not hold Bell Atlantic to a standard of perfection."); PA Verizon § 271 Order at 15, n. 93; MA Verizon § 271 Order at 8.

[13] 47 U.S.C. § 251(c)(2)(C); *see also* 47 C.F.R. § 311(b); *Iowa Utilities II* at 757-58.

VA. No other CLEC has entered the local market cloaked in such immunity. The Commission should reject WorldCom's attempt to do so.

Third, the appropriate place to deal with issues regarding standards of performance is in the proceedings on performance standards and remedy plans currently underway in Virginia. WorldCom's proposal that Verizon VA indemnify it for anything less-than-perfect service is not only commercially unreasonable, it also ignores the various state-approved performance assurance plans in place throughout the country.

WorldCom's proposed contract provisions must therefore be rejected. If not, WorldCom could offer its customers perfect service, knowing full well that any shortfall would be paid for by Verizon VA. This would give WorldCom an extremely unfair competitive advantage (bankrolled by Verizon VA) not contemplated or provided for under applicable law: WorldCom could market perfect service, as any cost of providing its customers with less-than-perfect service would be subsidized through Verizon VA's indemnification obligations. Thus, even if Verizon VA provided WorldCom with service significantly better than the service that Verizon VA provided to its own end user customers, Verizon VA would nonetheless be required to indemnify WorldCom for the few errors Verizon VA made (*e.g.*, the one hot cut out of a thousand that Verizon VA did not make on time).[14] The impact on Verizon VA of such an obligation could be economically devastating since, try as it might, Verizon VA, or any carrier for that matter, cannot achieve perfect service delivery.

WorldCom's claim that to reject its desired language would be anti-competitive is specious.[15] The reality is that WorldCom does not wish to have fair competition. Rather, it

---

[14] *See* Verizon VA Opening Brief at 21.

[15] WorldCom Brief at 208-09.

desires unfair competition not contemplated by the Act, whereby Verizon VA would have to subsidize WorldCom's business. Accordingly, the Commission should reject WorldCom's proposed language and adopt the language offered by Verizon VA.

**<u>Issue V-11</u>** **Indemnification for Directory Listings**

Notwithstanding WorldCom's claims to the contrary, Verizon VA has not asked WorldCom to indemnify Verizon VA for Verizon VA's errors in printing WorldCom's customers' directory listings. Rather, Verizon VA has made the reasonable demand that WorldCom indemnify it in cases where Verizon VA prints directory listing information regarding a WorldCom customer in ***precisely the manner*** in which WorldCom provided the information to Verizon VA, and WorldCom's customer brings a claim against Verizon VA. In other words, a situation in which Verizon VA has made no mistake in providing a service to WorldCom.

In this situation, WorldCom provides information to Verizon VA that Verizon VA must rely on to provide directory listing service to WorldCom on behalf of one of WorldCom's customers. Since Verizon VA has no involvement in obtaining that information, WorldCom should bear full responsibility for its inaccuracy.

**<u>Issue IV-113</u>  Change of Law**

WorldCom stubbornly refuses to acknowledge that a change in law that introduces a new obligation to provide a service is fundamentally different from one that relieves a party of the obligation to provide a particular benefit or service. Under a change in law that introduces a new obligation, Verizon VA often will have to create new ordering systems and operational procedures, as well as reach agreement with CLECs as to very specific implementation mechanics (*e.g.*, the various methods for achieving subloop unbundling that were developed in connection with the Commission's UNE Remand Order). In such cases, Verizon VA will comply with its obligations, as it did when it made UNE Remand Order amendments available to all CLECs by the date the UNEs covered thereby were required to be made available by the Commission's Order.

A change in law that relieves a party of the obligation to provide a particular benefit or service is an entirely different matter. In that case, Verizon VA certainly will comply with the change of law, but it cannot be held hostage indefinitely to ***"negotiations"*** with the CLEC over whether, when and how Verizon VA will be able to cease providing the affected service. In that regard, WorldCom's assertion, that "[i]f a change in law clearly does allow Verizon to terminate certain services, WorldCom will agree and promptly amend the contract," provides Verizon VA with little comfort.[16]

Verizon VA need look no further than to WorldCom's stalling tactics with respect to the Commission's *ISP Remand Order* to obtain a true picture of what WorldCom does (and would do) when Verizon VA's obligation to provide a particular service or benefit is relieved. In that case, notwithstanding the clear language of the Order, WorldCom has been unwilling to give it

---

[16] *Id.* at 215.

effect. Instead, WorldCom continues to insist on "negotiating" what the Order means. Verizon VA has no doubt that WorldCom will continue to "negotiate" *ad infinitum* if it is permitted to do so, thereby attempting to force Verizon VA to make reciprocal compensation payments on ISP-bound traffic, a compensation structure that this Commission has rejected.

This does not mean that Verizon VA is asking for the right to cease providing an affected service before it may do so under the terms of any decision adopting the change in law, much less immediately. Instead, if the order adopting the change in law does not provide for a transition period (*i.e.*, the order is effective immediately, thereby permitting Verizon VA to cease providing the service immediately), Verizon VA's proposed language would provide WorldCom with a commercially reasonable 45 day implementation period after the date upon which Verizon VA gives notice to WorldCom that it will cease providing the service. During this 45 day period, if WorldCom believes that Verizon VA is not to cease providing the service, it may bring the matter before the relevant commission. To date, ***437*** CLECs – including AT&T -- have agreed to language that is substantively the same as Verizon VA has proposed to WorldCom.[17] The Commission also should adopt it here.

[17] This statistic responds to the Staff request that Verizon VA state in its brief whether the change of law language it proposes to WorldCom has been agreed to by other CLECs. Tr. 2103. 437 have done so throughout the Verizon footprint.

**Issue IV-129 Definitions**

The Parties are in the process of refining a list of disputed definitions to be filed with the Commission.

**<u>Issue VI-1(N)</u>** **Assurance of Payment**
**<u>Issue VI-1(O)</u>** **Default**
**<u>Issue VI-1(Q)</u>** **Insurance**

The issues of assurance of payment, default remedies and insurance are grouped together because each of them relates to Verizon VA's legitimate need for financial protection from noncreditworthy entities. WorldCom attempts to belittle Verizon VA's legitimate concerns, but its arguments are unreasonable, unsupported and should be rejected by the Commission. In fact, Verizon VA has resolved these three related issues with AT&T, as well as with virtually all other CLECs in Virginia. WorldCom once again is the outlier, demanding that it obtain superior treatment than that received by Verizon VA's own end user customers and Verizon's other wholesale customers (such as AT&T).

First, Verizon VA must protect itself against the risk of nonpayment of amounts that are owed it by CLECs. In the case of Verizon VA's retail customers, Verizon VA obtains such protection under the terms of its retail tariffs. Under its retail tariffs, Verizon generally may require an end user customer that is not creditworthy to provide assurance of payment (*e.g.*, a security deposit, generally in an amount equal to two months' anticipated billings). In addition, if an end user customer does not pay Verizon amounts when due, Verizon may suspend or terminate service. These provisions are not only critical in a retail environment, they are also vital in a wholesale environment. WorldCom should not be given special treatment vis-à-vis Verizon's own end user customers or other carriers.

Second, Verizon VA must protect itself against the risk of carriers not having adequate insurance to cover damages that they cause to Verizon VA. Verizon may ask any vendor that does work on its premises to provide evidence of appropriate insurance. Such provisions are generally found in Verizon's collocation tariffs. Perhaps most importantly, this Commission has already decided that ILECs have a right to demand that an interconnecting CLEC maintain adequate levels of insurance.[18] On that basis alone, WorldCom should not be given special treatment vis-à-vis Verizon's vendors or other carriers and, as such, should be required to fulfill the insurance provisions that Verizon VA has proposed.

Moreover, Verizon VA has offered to permit WorldCom to self-insure, as long as its net worth is at least $100 million, an amount the Commission stated is a reasonable level for an ILEC to use if it is considering whether a CLEC may satisfy its insurance obligations via self-insurance.[19] Instead of accepting Verizon VA's reasonable counterproposal (which AT&T has already done), WorldCom has presented a hodgepodge of unfounded complaints in its opening brief.

For example, WorldCom argues that "Verizon has not demonstrated that [the insurance] provisions are necessary to its relationship with <u>WorldCom</u>, and has conceded that its 'concern [on this issue] is not with WorldCom.'"[20] While it is true that Verizon VA is less concerned about whether a CLEC has insurance if the CLEC has a substantial net worth, that is precisely why Verizon has agreed that WorldCom may self insure so long as it satisfies the net worth threshold previously approved by the Commission. That is not to say, however, as WorldCom has suggested, that Verizon VA does not have any concerns with WorldCom having appropriate insurance coverage. Rather, Verizon VA has determined (in accordance with this Commission's guidance) that a $100 million net worth threshold is an appropriate level for permitting self-

---

[18] *Second Report* at ¶ 345.

[19] *Id.* at ¶ 350.

[20] WorldCom Brief at 226.

insurance to fulfill the insurance requirements that the Commission has determined ILECs may request of collocating CLECs.[21]

WorldCom also claims that subjecting it to an insurance requirement would result in a "one-sided" obligation, but that is exactly what the Commission has determined is appropriate. The Commission's Order dealing with insurance requirements speaks only to the requirement of CLECs collocating at ILEC premises to carry appropriate coverage. As such, WorldCom's claim that Verizon VA should carry insurance coverage should be rejected.

WorldCom's assertion that the amounts of insurance coverage that Verizon VA has requested are exceedingly high is unsupported. In fact, the amounts of insurance coverage that Verizon VA has requested ***do not exceed (and in some cases are considerably less than) the levels that this Commission has found that ILECs may require.***[22] As to the other minor complaints that WorldCom has made regarding Verizon VA's proposed insurance provisions (*e.g.*, notice of material changes in coverage), they too are without merit. Other carriers (as a matter of course) have agreed to substantively identical contract terms.

WorldCom states that while it "has attempted to work with Verizon to agree on a carve-out provision for carriers with a net worth exceeding $100 million, WorldCom cannot accept language that would impose these unreasonable insurance requirements on WorldCom's subsidiaries and affiliates."[23] It would be unreasonable for the carve-out to apply only to WorldCom, however. Rather, it should apply to each carrier that has an interconnection agreement. Moreover, if WorldCom would be willing to guarantee the obligations of each of its

---

[21] *Second Report* at ¶¶ 345-50.

[22] *Id.*

[23] WorldCom Brief at 226-27.

affiliates that do not have a $100 million net worth, Verizon VA would be willing to permit the insurance requirements of the contract to be fulfilled via self-insurance by the guarantor (*i.e.*, the entity with a net worth greater than $100 million).

Based on the foregoing, as well as Verizon VA's opening brief, the Commission should reject WorldCom's arguments regarding insurance, and should adopt Verizon VA's suggested contract provisions.

WorldCom also objects to Verizon's proposed language relating to assurance of payment. This language would exempt WorldCom from having to comply with the assurance of payment requirements except that Verizon could request assurance of payment if and, only to the extent that, there has been a material adverse change in the CLEC's creditworthiness, or the CLEC has not made payments when due of amounts that are not subject to a bona fide billing dispute. AT&T already has agreed to just such an approach. Consistent with its recurring pattern of trying to get a better deal, WorldCom will not accept the provisions that AT&T has accepted. Instead, it argues that an assurance of payment provision is "unnecessary," and that the side letter approach to which AT&T has agreed is somehow discriminatory.[24] WorldCom is wrong on both counts.

As an initial matter, these provisions are necessary for two reasons. First, if WorldCom's financial situation were to substantially deteriorate, or if it were to refuse to pay bills that it undisputedly owed, then Verizon would be entitled to request reasonable assurance that amounts owed by WorldCom would be paid. Second, carriers less creditworthy than WorldCom will certainly adopt its contract. The absence of such provisions in the WorldCom contract arguably could result in Verizon not receiving payment assurance from these other CLECs.

---

[24] *Id.* at 217-18.

As to WorldCom's claim that it is discriminatory for these CLECs to have to provide payment assurance if WorldCom is not required to do so, WorldCom is too clever by half. Verizon VA's willingness to exempt AT&T, WorldCom and other similarly situated CLECs from providing payment assurance (on the terms noted above) is an accommodation to them and is in recognition of their superior creditworthiness vis-à-vis less well-capitalized carriers. WorldCom's criticism of Verizon's accommodation is ludicrous.

In addition, WorldCom has the audacity to claim that Verizon VA's payment assurance provisions could be triggered by "'minor occurrences,' such as a failure to timely pay a bill."[25] There is nothing minor about a carrier not paying a bill for which there is no bona fide billing dispute. In such case, the CLEC is refusing to pay a bill merely because it does not wish to pay it – not because there is a good faith dispute over the bill (*e.g.*, the exact number of minutes of traffic exchanged, etc.).

For the foregoing reasons, as well as those set forth in Verizon VA's opening brief, the Commission should reject WorldCom's arguments regarding payment assurance, and should adopt Verizon VA's suggested contract language.

Finally, WorldCom also objects to Verizon's proposal with respect to remedies in the case of a default, but in doing so it wholly ignores the effect on Verizon VA if a CLEC does not pay amounts that are due (and that are not subject to a good faith billing dispute). Under WorldCom's view, Verizon VA should have to continue to provide services to a carrier that is withholding payment of amounts due for no bona fide reason. WorldCom asserts that Verizon VA should utilize the dispute resolution provisions of the contract in such case. WorldCom's position is untenable. It would require Verizon VA to provide millions of dollars of services to

[25] *Id.* at 218.

carriers that have no intent of paying for them. That is unacceptable and should be rejected by the Commission.

Verizon VA's contract provisions dealing with remedies in the case of a default are very reasonable, as evidenced by the fact that AT&T and Verizon VA have already agreed to them. Under such contract terms, Verizon VA may suspend or terminate provision of services, after notice and passage of a cure period, if AT&T is overdue in making payment of amounts billed that are not subject to a bona fide billing dispute, or if AT&T is in default of a material provision of the contract (again, after notice and passage of a cure period). Under these provisions, Verizon VA may not suspend or terminate provision of services based on unpaid amounts that are the subject of a good faith billing dispute. In addition, if there is a dispute over whether any non-billing default is material, the Parties would utilize the contract's dispute resolution mechanics to decide whether the default is material and, in the meantime, services may not be suspended or terminated. AT&T has obviously obtained sufficient comfort that these contract terms are reasonable and fair. WorldCom, ever the outlier, insists on trying to make Verizon VA provide services to carriers (be it WorldCom or a carrier adopting WorldCom's contract) even when the carriers refuse, for no legitimate reason, to pay Verizon VA for services rendered.

WorldCom claims that Verizon VA "would be willing to use alternative dispute resolution, as opposed to its proposed right to terminate or suspend service, with carriers whose net worth exceeds $100 million."[26] That is simply wrong; Verizon VA is <u>not</u> willing to do so. The effect of such a clause, coupled with the requirement to continue to provide services even when the CLEC is refusing to pay bills that are not being disputed in good faith, would be to force Verizon VA to incur huge receivables that are never paid. This is particularly the case

[26] *Id.* at 220.

given the fact that any company's financial position could deteriorate quickly, as evidenced by the recent financial downturn of Enron.

WorldCom baldly asserts that "Verizon's proposed self-help remedy is unlawful."[27] That is not the case. Just because Verizon VA has an obligation to interconnect with CLECs and to provide them access to UNEs does not mean that Verizon VA cannot, or should not, have the right to suspend or terminate provision of such services if the CLECs try to force Verizon VA to provide them for free (*i.e.*, the CLECs do not pay their bills for no reason other than they do not wish to do so). The CLECs have a corresponding obligation to pay for the services and facilities obtained from Verizon, and where they fail to fulfill that obligation, there is nothing unlawful about Verizon's proposal to suspend or terminate service. Put another way, while Verizon VA has a number of obligations under the Act, it is not a charitable organization. As such, Verizon VA can not be forced to provide services for free.

Obviously, Verizon VA understands that suspending or terminating provision of services is a serious matter. Accordingly, Verizon VA would only do so to protect itself from an unscrupulous carrier that has no bona fide disputes over particular billings and just wishes to avoid paying them. Based on the foregoing, as well as Verizon VA's opening brief, the Commission should reject WorldCom's arguments on default remedies, and should adopt Verizon VA's proposed contract language.

[27] *Id.* at 221.

**Issue VI-1(P)** **Discontinuance of Service by CLEC**

Contrary to WorldCom's claims, the language proposed by Verizon to deal with a migration of service in the event that a CLEC discontinues service does not provide it with a competitive advantage. To the contrary, as Verizon has previously explained at length, there are any number of valid financial, legal, regulatory, operational and technical reasons why Verizon VA does not want to be required to assume responsibilities for all customers left stranded by an exiting CLEC.[28] Among the reasons are:

1. the creditworthiness of individual customers;
2. the availability or lack of Verizon VA network facilities;
3. the complexity of business customers' current services and the need to match those on an expedited timeframe;
4. the costs of making such transitions and the lack of recourse to recover those expenditures;
5. the inability to reconcile default carrier obligations with existing federal and state slamming rules (*i.e.*, carrier change verification requirements);
6. the lack of internal resources to absorb the CLEC's customer base without jeopardizing service quality standards and other legally mandated performance obligations;
7. the lack of essential information on the customers from the CLEC that is exiting the market, such as circuit data or customer lists.

The language proposed by Verizon VA in § 13 of its proposed contract with WorldCom will minimize loss of service to end-users, give advance warning to the state commission, and protect Verizon VA.

---

[28] Tr. 2136.

**Issue VI-1(R)** **References**

The terms of any tariff, policy or handbook referred to in the agreement must be treated in the interconnection agreement as they are in real life: dynamic documents that evolve in conjunction with changes in the marketplace and applicable law. The Parties' interconnection agreement cannot simply ignore these changes. For these reasons, as well as those set forth in Verizon VA's opening brief, the Commission should reject WorldCom's proposed modification and adopt these sections in their original form.